



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
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(213) 974-1101
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July 29, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF CHILDREN AND FAMILY SERVICES: REQUEST FOR
AMENDMENT NUMBER TWO TO AGREEMENT NUMBER 75876 WITH
INTERNATIONAL BUSINESS MACHINES CORPORATION
(ALL SUPERVISORIAL DISTRICTS AFFECTED) (3 VOTES)**

SUBJECT

Amendment Number Two increases the annual contract sum by \$70,000, from \$115,000 to \$185,000 for Moves, Adds, and Changes (MACs), and County Access to Data (CAD) for the California State Child Welfare Services/Case Management System (CWS/CMS).

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATIONS ()
DISAPPROVE ()**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Chair of the Board to execute the attached Amendment Number Two to agreement No. 75876 with International Business Machines Corporation (IBM) to provide MACs, CAD, work station configuration, and upgrade services for CWS/CMS. This amendment will increase the maximum annual contract sum by \$70,000 for the current contract period ending September 30, 2008, and the second contract period, October 1, 2008 through September 30, 2009, if the option to extend is exercised. The \$70,000 annual increase is financed by 50 percent federal (\$35,000); 35 percent State (\$24,500); and 15 percent (\$10,500) net County cost (NCC). Sufficient funding is included in the Fiscal Year (FY) 2008-09 Proposed Budget.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to increase funding for the agreement due to increased MAC service needs for the Department of Children and Family Services' (DCFS) to ensure ongoing access to CWS/CMS. MAC requests are generated to accomplish office and organizational relocations of CWS/CMS software and equipment. Due to anticipated moves planned for the remaining contract period ending September 30, 2008, and during the October 1, 2008 through September 30, 2009 contract period, an additional \$70,000 in annual services is necessary. In the event any office relocations do not take place, the additional funds will not be utilized since work performed under this agreement is billed based on completed MACs.

The anticipated personnel and office moves through September 30, 2009, include:

- 130 overflow staff from the Compton Office to the Hawthorne facility;
- 200 Training Section and San Gabriel Regional Office staff from MacLaren to another location (potential);
- 345 Emergency Response and Hot Line staff from 3075 Wilshire to another location (potential); and
- West Los Angeles Regional office relocation.

The above anticipated moves may not include all moves through September 30, 2009, due to changing conditions, priorities, and needs that could occur. In the event changes occur due to unforeseen circumstances, DCFS needs the flexibility to respond, using the same State approval process required for all relocations. If this amendment is not approved, DCFS will be unable to respond to relocations with the necessary equipment and software for staff to access CMS/CWS for their case management functions.

Implementation of Strategic Plan Goals

The recommended action is consistent with the principles of the Countywide Strategic Plan Goal No. 1, Service Excellence; Goal No. 2, Organizational Effectiveness; and Goal No. 5, Children and Families' Well-Being. The recommended action will ensure that DCFS has sufficient funding for MACs to continue case management proficiency and organizational efficiency in delivering timely services to the children and families served by DCFS.

FISCAL IMPACT/FINANCING

The maximum annual contract sum will increase by \$70,000, from \$115,000 to \$185,000, for the period ending September 30, 2008, and October 1, 2008 through September 30, 2009, if the option to extend is exercised. The cost of this amendment is financed by 50 percent federal (\$35,000); 35 percent State (\$24,500); and 15 percent (\$10,500) net County cost (NCC). Sufficient funding is included in the FY 2008-09 Proposed Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

CWS/CMS is mandated by Section 16501.5 of the California Welfare and Institutions Code. This system was made possible through federal funds to implement a required statewide system (45 CFR 1355.53). The State has approved only one vendor, IBM, to ensure the integrity of this statewide system since December 2001.

The agreement was approved by your Board on September 12, 2006, at an annual cost of \$115,000. The agreement approved by your Board is a one-year contract with two optional one-year extensions. On September 25, 2007, DCFS exercised the first option to extend the contract effective October 1, 2007 through September 30, 2008.

The Advance Planning Document related to this amendment has been reviewed and approved by the California Department of Social Services' Office of Systems Integration. The funds will be used in accordance with the existing Statement of Work and reflects DCFS' best estimate of the funding needed to maintain the CAD and MAC services for CWS/CMS in the County.

County Counsel and the Chief Information Officer (CIO) have reviewed this Board letter. A CIO analysis of this request is included as Attachment II. County Counsel has approved the attached amendment as to form.

CONTRACTING PROCESS

No additional contracting process is required for this amendment, which is a sole source agreement with IBM, the single vendor approved by the State for the CWS/CMS system.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Without the additional funding, DCFS cannot meet its needs with regard to continued MACs, CAD, workstation configuration checkout, and upgrade services for access to CWS/CMS.

CONCLUSION

Upon approval and execution by the Board of Supervisors, it is requested that the Executive Officer, Board of Supervisors send the adopted stamped Board letter and attachments to:

1. Department of Children and Family Services
Attention: Walter Chan, Manager
Contracts Administration
425 Shatto Place, Room 400
Los Angeles, CA 90020
2. Office of the County Counsel
Attention: Diane Cachenaute, Senior Paralegal
500 West Temple Street, Room 602
Los Angeles, CA 90012
3. International Business Machines Corporation
Catherine Mori, Project Manager
3775 North Freeway Boulevard
Sacramento, CA 95834

Respectfully submitted,



William T Fujioka
Chief Executive Officer

WTF:SRH:MS
GP:BM:cvb

Attachments

Reviewed by:



Richard Sanchez
Acting Chief Information Officer

**AMENDMENT NUMBER TWO TO AGREEMENT NUMBER 75876
WITH INTERNATIONAL BUSINESS MACHINES CORPORATION**

This Amendment Number Two to Agreement Number. 75876 by and between the County of Los Angeles (hereafter "COUNTY") and International Business Machines Corporation (hereafter "CONTRACTOR") is made and entered into on this _____ day of _____, 2008.

WHEREAS, COUNTY and CONTRACTOR are parties to Agreement Number 75876 for Moves, Adds and Changes (MACs) and County Access to Data to daily download for the California State Welfare Services/Case Management System (CWS/CMS), and CONTRACTOR has been providing services to the COUNTY; and

WHEREAS, several unanticipated MACs and related needs have occurred and others may occur that require additional funding for this Agreement;

NOW THEREFORE, COUNTY and CONTRACT agree to modify the Agreement as follows:

1. Effective _____, 2008, the annual contract sum is increased by \$70,000, not to exceed a maximum annual contract sum of \$185,000, for the purpose of moving or relocating the following offices:

- 130 overflow staff from the Compton Office to the Hawthorne facility;
- 200 Training Section and San Gabriel Regional Office staff from MacLaren to another location (potential);
- 345 Emergency Response and Hot Line staff from 3075 Wilshire to another location (potential); and
- West Los Angeles Regional office relocation.

In the event that the COUNTY's conditions, priorities, and needs for MACs change, CONTRACTOR agrees to deliver a similar scope of additional work or amount of MACs, or more, if possible, in accordance with SECTION 6.0, CHANGE NOTICES, AMENDMENTS, AND STATEMENTS OF WORK, SECTION 1.1 STATEMENTS OF WORK, and SECTION 2.4, APPROVAL OF DELIVERABLES, of this Agreement.

2. The Total Maximum Contract Sum authorized by County, including without limitation, all applicable taxes, shall not exceed \$485,000.

EXCEPT AS PROVIDED IN THIS AMENDMENT NUMBER TWO, ALL TERMS AND CONDITIONS OF AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT.

**AMENDMENT NUMBER TWO TO AGREEMENT NUMBER. 75678
WITH INTERNATIONAL BUSINESS MACHINES CORPORATION**

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment Number Two to be subscribed by its Chair and the seal of such Board to be affixed and attested to by the Executive Officer-Clerk of the Board, and International Business Machines Corporation has caused this Amendment Number Two to be subscribed on its behalf by its duly authorized officer, as of the day, month, and year first written above. The persons signing on behalf of the Contractor warrant under penalty of perjury that they are authorized to bind the Contractor in the Agreement.

COUNTY OF LOS ANGELES

By _____
Chair, Board of Supervisors

ATTEST:
SACHI A. HAMAI
Executive Officer-Clerk of the
Los Angeles County
Board of Supervisors

INTERNATIONAL BUSINESS MACHINES
CORPORATION

By _____
Deputy

By _____

Name _____

Title _____

By _____

Name _____

Title _____

Tax Identification Number 13-0871985

APPROVED AS TO FORM:
RAYMOND G. FORTNER, JR.
County Counsel

By _____
Principal Deputy County Counsel

CIO ANALYSIS

DEPARTMENT OF CHILDREN AND FAMILY SERVICES REQUEST FOR AMENDMENT NUMBER TWO TO AGREEMENT NUMBER 75876 WITH INTERNATIONAL BUSINESS MACHINES CORPORATION

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH MODIFICATION
☐ DISAPPROVE

Contract Type:

☐ New Contract ☒ Contract Amendment ☐ Contract Extension
☐ Sole Source Contract ☐ Hardware Acquisition ☐ Other

New/Revised Contract Term: Base Term: 1 Yr. # of Option Yrs: 2

Contract Components:

☐ Software ☐ Hardware ☐ Telecommunications
☒ Professional Services

Project Executive Sponsor: Leo H. Yu, Deputy Director, DCFS

Budget Information :

Y-T-D Contract Expenditures	\$ 74,894 (since 10/1/2007)
Requested Contract Amount	\$185,000/yearly
Aggregate Contract Amount	\$485,000 for all three years

Project Background:

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project legislatively mandated?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project subvented? If yes, what percentage is offset? 85% Federal/State, 15% net County cost.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project/application applicable to (shared use or interfaced) other departments? If yes, name the other department(s) involved. Probation Department and Child Support Services.

Strategic Alignment:

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions document? CWS/CMS uses client/server technologies not consistent with the County's IT direction. However, CMS/CMS is a State-mandated system and there is no alternative.

<input type="checkbox"/>	<input checked="" type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles IT standards? See previous item.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	This contract and/or project and its milestone deliverables must be entered into the Information Technology Tracking System (ITTS).

Project/Contract Description:

The proposed Amendment Number Two will increase the annual contract sum to the existing Agreement with International Business Machines Corporation (IBM) to accommodate additional service needs such as network reconfiguration, unanticipated office moves, and server expansions. It will increase the maximum contract amount by \$70,000 (\$115,000 to \$185,000) per year, covering the period from October 1, 2007 through September 30, 2008, and again from October 1, 2008 through September 30, 2009 if the contract option is exercised. The Proposed Amendment establishes a new maximum contract sum of \$485,000.

Background:

The Child Welfare Services/Case Management System (CWS/CMS) is mandated by Section 16501.5 of the California Welfare and Institutions Code. In 1992, the State of California Department of Health and Human Services awarded a competitively bid contract to IBM Global Services for the design, implementation and operation of the CWS/CMS system. The Agreement is still in effect (expires on July 31, 2011) and IBM is the sole vendor contracted by the State to perform the required services.

On September 12, 2006, your Board approved Agreement Number 75876 with IBM for CWS/CMS support services. Two categories of services are included in the Agreement: (a) moves, adds, changes (MACs) and upgrades for CWS/CMS hardware/software, and (b) support services associated with the daily extraction of County data from CWS/CMS to DCFS. The Agreement term was for one year with two optional one-year extensions. DCFS exercised the first optional year on September 25, 2007, covering October 1, 2007 through September 30, 2008. However, due to higher than expected office and personnel moves resulting in the depletion of allocated MACs costs, DCFS is requesting the contract amendment to cover additional 2007-08 and 2008-09 office moves.

Project Justification/Benefits:

The State-operated CWS/CMS is a mandatory and critical component in DCFS' ability to perform needed services to children and families in Los Angeles County. MACs services are required to allow continued access by DCFS staff to the CWS/CMS system. If the Amendment is not approved, relocated staff will not be able to access CWS/CMS.

Project Metrics:

The County's Program Manager will continue to evaluate the success of the project through completion of MACs on a timely and efficient manner.

Impact On Service Delivery Or Department Operations, If Proposal Is Not Approved:

If the proposed Amendment is not approved, relocated DCFS staff will not be able to access CWS/CMS. This will result in significantly reduced levels of service and DCFS will not be able to serve the needs of its clients.

Alternatives Considered:

DCFS is mandated to use the statewide system and IBM is the sole State vendor providing these services. There are no other alternatives.

Project Risks:

IBM has been performing these services under the State contract for the past 15 years, and has a well-established Service Level Agreement specifying quality of services. Given the limited scope of work to be performed and the vendor's excellent track record, the risk associated with this proposed Amendment is relatively low.

Financial Analysis:

The maximum contract sum will be increased from \$115,000 per year to \$185,000 per year, and will be financed using 85% State/Federal revenue and 15% Net County Cost. DCFS represents that sufficient funding is included in their FY 2007-08 Adopted Budget and the FY 2008-09 Budget Request.

CIO Concerns:

None.

CIO Recommendations:

The Chief Information Office (CIO) recommends that your Board approve the proposed Amendment.

CIO APPROVAL

Date Received: June 1, 2008

Prepared by: Frank Cheng

Date: June 4, 2008

Approved: 

Date: 6/10/2008